

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of Financial and Insurance Regulation**

In the matter of:

**Czech Catholic Union**  
System ID: 0000984

**Enforcement Case No. 08-6523**

Respondent  
\_\_\_\_\_ /

**Issued and entered  
on June 12, 2009  
by Stephen R. Hilker,  
Chief Deputy Commissioner**

**CONSENT ORDER AND STIPULATION**

**A. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

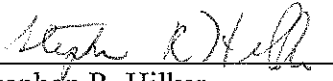
1. On May 3, 2007, the Commissioner of the Office of Financial and Insurance Services, now called the Office of Financial and Insurance Regulation, promulgated R 500.2212, which provides that "[a] shortened limitation of action clause unreasonably reduces the risk purported to be assumed in the general coverage of the policy within the meaning of MCL 5500.2236(5)." R 500.2212(1).
2. R 500.2212, as of June 1, 2007, prohibited the issuing, advertising, or delivering to any person in this state a policy, contract, rider, endorsement, certificate, or similar contract document that contained a shortened limitation of action clause, except for contract documents in use before that date, which have not been revised in any respect on or after June 1, 2007.
3. R 500.2212(5) required that by July 1, 2007, each insurer transacting insurance in this state submit to the Commissioner a list of all forms in effect in Michigan that contained shortened limitation of action clauses with a certification that the list was complete and accurate, and if an insurer had no such forms, it was to submit a letter to the Commissioner reporting and certifying that fact by July 1, 2007.
4. Contrary to R 500.2212(5), Respondent failed to certify until October 16, 2008.

5. Based on the foregoing conduct, Respondent has violated R 500.2212(5).

### B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, the Commissioner ORDERS that:

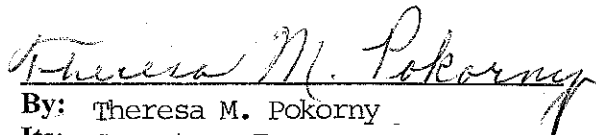
1. Respondent shall pay to the State of Michigan, through the Office of Financial and Insurance Regulation (hereafter OFIR), a civil fine in the amount of One Thousand Dollars (\$1,000). Upon issuance and entry of this Order, OFIR will send an Invoice to Respondent and Respondent shall pay the fine by the due date printed on the Invoice.
2. Respondent shall comply with all Rules issued by the Commissioner applicable to Respondent's certificate of authority.

  
Stephen R. Hilker  
Chief Deputy Commissioner

### C. STIPULATION

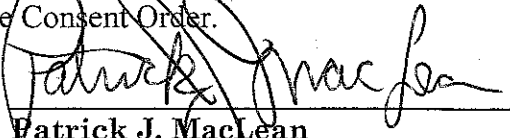
I Theresa M. Pokorny, acting on behalf of **Czech Catholic Union** have read and understand the proposed Consent Order above. I agree that the Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. I voluntarily waive the right to a hearing in this matter if this Consent Order is issued. I understand that this Stipulation and Consent Order will be presented to the Chief Deputy Commissioner for approval and that the Chief Deputy Commissioner may or may not issue this Consent Order. I waive any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. Henceforth, I agree to comply with the requirements of the Michigan Insurance Code and all applicable Rules. I agree to the entry of this Order.

Dated: June 8, 2009

  
By: Theresa M. Pokorny  
Its: Secretary-Treasurer

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

Dated: 6-11-09

  
Patrick J. MacLean  
Staff Attorney